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PLEASE REPLY TO NEW JERSEY OFFICE

February 16, 2011

VIA ECF

Hon. Stanley R. Chesler, U.S.D.J.

District of New Jersey

Martin Luther King, Jr. Federal Building & U.S. Courthouse
50 Walnut Street

Newark, New Jersey 07101

RE: Renaissance Carpet and Tapestries, Inc. v. S&H Rugs, Inc. et al. Civil Action No. 09-CV-00632 (SRC-MAS)

Dear Judge Chesler:

We represent Defendants S&H Rugs, Inc. and Ori Wilbush in the above-referenced matter. We have received Mr. Meister's correspondence to your chambers, dated February 16, 2011.

We disagree with adversary counsel's reading of <u>Fed. R. Civ. Pro.</u> 11(c)(2) that providing you with a copy of our "safe-harbor" notice was improper. This rule clearly states that the motion may not be filed until counsel has been given twenty-one (21) days to cure – the rule is silent as to the notice. Our research indicated that this was the correct approach. We read the rule differently and if I have made an error, it is because this is first time in my career that I have felt it necessary to resort to Rule 11.

We are confident that the court would not permit itself to be prejudiced swayed by arguments that will certainly appear in the opposition that we intend to file today. With regard to the timing, as adversary counsel knows, I was out of the country until the middle of last week. I had an opportunity to review the work product prepared by my office over the weekend and to read the record and the citations on which it relied. We responded by promptly providing detailed notice of our objections to adversary counsel.

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In any event, we construe Mr. Meister's statement, that "[p]laintiff is confident that its motion is proper and meritorious" to be a waiver of the "safe-harbor" provision of Fed. R. Civ. Pro. 11(c)(2). Accordingly, we will proceed with the filing of the opposition brief and will bring the motion for sanctions as to the issues raised in our notice shortly.

We will confirm with Mr. Meister his intention to waive the safe-harbor provision of Rule 11 by letter. Should that not be case, we will advise the court. Thank you for your attention to this matter.

Very Truly Yours,

Jay R. McDaniel

CC: Ronald Meister, Esq. (via ECF and email)
Ori Wilbush (via email)